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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/005,138	12/05/2001	Carl Phillip Gusler	AUS920010979US1	8048

			EXAMINER
46033	7590	06/13/2006	CHANDLER, SARA M

IBM CORPORATION
INTELLECTUAL PROPERTY LAW DEPT
11400 BURNET ROAD
AUSTIN, TX 78758

ART UNIT	PAPER NUMBER
3628	

DATE MAILED: 06/13/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

	Application No.	Applicant(s)
Office Action Summary	10/005,138	GUSLER ET AL.
	Examiner	Art Unit	
	Sara Chandler	3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) ☒ Responsive to communication(s) filed on <u>12/5/01</u>.

2a) ☐ This action is **FINAL**.   2b) ☒ This action is non-final.

3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) ☒ Claim(s) <u>1-32</u> is/are pending in the application.

   4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5) ☐ Claim(s) _____ is/are allowed.

6) ☒ Claim(s) <u>1-32</u> is/are rejected.

7) ☐ Claim(s) _____ is/are objected to.

8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) ☒ The specification is objected to by the Examiner.

10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.

   Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

   Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

   a) ☐ All   b) ☐ Some * c) ☐ None of:

   1. ☐ Certified copies of the priority documents have been received.

   2. ☐ Certified copies of the priority documents have been received in Application No. _____.

   3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

   * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
   Paper No(s)/Mail Date <u>12/5/01</u>.

4) ☐ Interview Summary (PTO-413)
   Paper No(s)/Mail Date. _____.

5) ☐ Notice of Informal Patent Application (PTO-152)

6) ☐ Other: _____.

DETAILED ACTION

Specification

Applicant is reminded of the proper language and format for an abstract of the disclosure. The form and legal phraseology often used in patent claims, such as "comprising" should be avoided. Appropriate correction is required.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 4,7,11,18,22 and 29 are rejected under 35 U.S.C. 102(e) as being anticipated by Smisek, US Pub. No. 2002/0029177.

Re Claim 4: Smisek discloses a method, said method comprising:

defining a time interval (Smisek, abstract, [0010} "computer programmed to keep track of.... the employment time periods for which benefits are to be provided, the value of the plan investments in non-traditional business during such time");

providing an employee benefit (Smisek, abstract, [0009] "a benefit plan which qualifies under federal law for certain tax benefits, including within the plan the ability to obtain the benefits of large increases in value of stocks in non-traditional businesses");

providing a supported price for said employee benefit, based on price data for said interval (Smisek, abstract, [0012][0017[0027][0046][0056] "'PAR' means the right to

receive the difference, if any between the Market Value of a Phantum Unit and the Base

Value of such Phantum Unit" [0059]); and

calculating a value for said employee benefit, based on said supported price (Smisek,

abstract, [0012][0017[0027][0046][0056] "'PAR' means the right to receive the

difference, if any between the Market Value of a Phantum Unit and the Base Value of

such Phantum Unit" [0059]).

Re Claim 7: Smisek discloses a method, wherein said calculating further comprises

calculating the difference between the price of a selected stock at the beginning of said

interval, and said supported price (Smisek, abstract, [0012][0017[0027][0046][0056]

"'PAR' means the right to receive the difference, if any between the Market Value of a

Phantum Unit and the Base Value of such Phantum Unit" [0059]).

Re Claim 11: Smisek discloses system for providing compensation, said system

comprising (Smisek, abstract, [0010] " computer programmed to keep track"

[0017[0027][0046[0056][0059]):

means for receiving inputs, including (Smisek, abstract, [0010] " computer programmed

to keep track" [0017[0027][0046[0056][0059]):

stock price data (Smisek, abstract, [0010][0017] "fair market value of an investment"

[0027][0046[0056][0059]), and

a formula for a supported price (Smisek, abstract, [0010][0017[0027][0046[0056]"'PAR'

means the right to receive the difference, if any between the Market Value of a Phantum

Unit and the Base Value of such Phantum Unit" [0059]);

means for calculating a value for an employee benefit, based on said inputs (Smisek,

abstract, [0010][0017[0027][0046[0056] "'PAR' means the right to receive the difference,

if any between the Market Value of a Phantum Unit and the Base Value of such

Phantum Unit" [0059]); and

means for providing at least one output, including said value (Smisek, abstract,

[0010][0017[0027][0046[0056] "'PAR' means the right to receive the difference, if any

between the Market Value of a Phantum Unit and the Base Value of such Phantum

Unit" [0059]).

Re Claims 18 and 29: Smisek discloses a system/computer-usable medium wherein

said means for calculating further comprises means for calculating the difference

between the price of a selected stock at the beginning said interval, and said supported

price (Smisek, abstract, [0010][0017[0027][0046[0056] "'PAR' means the right to receive

the difference, if any between the Market Value of a Phantum Unit and the Base Value

of such Phantum Unit" [0059]).

Re Claim 22: Smisek discloses a computer-usable medium having computer-

executable instructions for providing compensation, said computer-executable

instructions comprising (Smisek, abstract, [0010] " computer programmed to keep track"

[0017[0027][0046[0056][0059]):

means for receiving inputs, including (Smisek, abstract, [0010] " computer programmed

to keep track" [0017[0027][0046[0056][0059]):

stock price data (Smisek, abstract, [0010][0017] "fair market value of an investment"

[0027][0046[0056][0059]), and

a formula for a supported price (Smisek, abstract, [0010][0017[0027][0046[0056]"'PAR'

means the right to receive the difference, if any between the Market Value of a Phantum

Unit and the Base Value of such Phantum Unit" [0059]);

means for calculating a value for an employee benefit, based on said inputs (Smisek,

abstract, [0010][0017[0027][0046[0056] "'PAR' means the right to receive the difference,

if any between the Market Value of a Phantum Unit and the Base Value of such

Phantum Unit" [0059]); and

means for providing at least one output, including said value (Smisek, abstract,

[0010][0017[0027][0046[0056] "'PAR' means the right to receive the difference, if any

between the Market Value of a Phantum Unit and the Base Value of such Phantum

Unit" [0059]).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set
> forth in section 102 of this title, if the differences between the subject matter sought to be patented and
> the prior art are such that the subject matter as a whole would have been obvious at the time the
> invention was made to a person having ordinary skill in the art to which said subject matter pertains.
> Patentability shall not be negatived by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148

USPQ 459 (1966), that are applied for establishing a background for determining

obviousness under 35 U.S.C. 103(a) are summarized as follows:

1.   Determining the scope and contents of the prior art.
2.   Ascertaining the differences between the prior art and the claims at issue.
3.   Resolving the level of ordinary skill in the pertinent art.
4.   Considering objective evidence present in the application indicating
     obviousness or nonobviousness.

Claims 1-3, 5, 6, 8-10, 12-17,19-21, 23-28 and 30-32 are rejected under 35

U.S.C. 103(a) as being unpatentable over Smisek, US Pub. No. 2002/0029177.

Re Claim 1: Smisek discloses a method for providing compensation, said method

comprising:

defining a time interval (Smisek, abstract, [0010} "computer programmed to keep track

of.... the employment time periods for which benefits are to be provided, the value of

the plan investments in non-traditional business during such time");

providing an employee benefit linked to the performance of a selected stock (Smisek,

abstract, [0009] "a benefit plan which qualifies under federal law for certain tax benefits,

including within the plan the ability to obtain the benefits of large increases in value of

stocks in non-traditional businesses") ;

identifying a supported price for said selected stock, based on price data for said

interval (Smisek, abstract, [0012][0017[0027][0046][0056] "'PAR' means the right to

receive the difference, if any between the Market Value of a Phantum Unit and the Base

Value of such Phantum Unit" [0059]); and

offering to buy shares of said selected stock from said employee at said supported price

(Smisek, abstract, [0012][0013] "the holder of the retention award would be entitled to

receive payment of an amount..... based on such holder's vested interest in such

retention award and the gain and profit in the underlying equity holding").

Smisek fails to explicitly disclose a method for providing compensation, said

method comprising: providing a stock option to an employee for a selected stock.

Official Notice is taken that it is old and well-known for employers to provide

employees with options regarding employee benefits associated with stock

performance. For example, employee stock ownership plans, stock options and stock

appreciation rights are all common benefits offered.

It would have been obvious to one of ordinary skill in the art at the time of the

invention to modify the teachings of Smisek to provide method for providing

compensation, said method comprising: defining a time interval; providing a stock

option to an employee for a selected stock; identifying a supported price for said

selected stock, based on price data for said interval; and offering to buy shares of said

selected stock from said employee at said supported price.

One would have been motivated to attract and retain employees as suggested by

Smisek. Furthermore, one would have been motivated to have different employee

benefit options to accommodate to circumstances of employees such as cash liquidity.

Re Claims 2 and 3: Smisek discloses a method wherein:

said employee benefit may be exercised after or before the end of said time interval

(Smisek, abstract, [0012]" a retention award, which is a right, which vests over a period

of time as established by the management committee overseeing the plan" [0018] "a

participant may redeem his vested awards related thereto at the end of four window

periods a year"). Smisek fails to explicitly disclose a method wherein: said stock option

may be exercised after or before the end of said time interval

Official Notice is taken that it is old and well-known for employers to provide

employees with options regarding employee benefits associated with stock

performance. For example, employee stock ownership plans, stock options and stock

appreciation rights are all common benefits offered.

It would have been obvious to one of ordinary skill in the art at the time of the

invention to modify the teachings of Smisek to provide a method wherein: said

employee benefit may be exercised after or before the end of said time interval

One would have been motivated to attract and retain employees as suggested by

Smisek. Furthermore, one would have been motivated to have different employee

benefit options to accommodate to circumstances of employees such as cash liquidity.

Re Claim 5: Smisek discloses a method, wherein:

said providing an employee benefit (Smisek, abstract, [0009] "a benefit plan which

qualifies under federal law for certain tax benefits, including within the plan the ability to

obtain the benefits of large increases in value of stocks in non-traditional businesses");

and

said providing a supported price further comprises offering to buy shares of stock from

said employee (Smisek, abstract, [0012][0013] "the holder of the retention award would

be entitled to receive payment of an amount..... based on such holder's vested interest

in such retention award and the gain and profit in the underlying equity holding").

Smisek fails to explicitly disclose a method, wherein: said providing an employee

benefit further comprises providing a stock option

Official Notice is taken that it is old and well-known for employers to provide

employees with options regarding employee benefits associated with stock

performance. For example, employee stock ownership plans, stock options and stock

appreciation rights are all common benefits offered.

It would have been obvious to one of ordinary skill in the art at the time of the

invention to modify the teachings of Smisek to provide a method, wherein: said

providing an employee benefit further comprises providing a stock option; and

said providing a supported price further comprises offering to buy shares of stock from

said employee.

One would have been motivated to attract and retain employees as suggested by

Smisek. Furthermore, one would have been motivated to have different employee

benefit options to accommodate to circumstances of employees such as cash liquidity.

Re Claim 6: Smisek discloses a method, wherein:

said providing an employee benefit (Smisek, abstract, [0009] "a benefit plan which

qualifies under federal law for certain tax benefits, including within the plan the ability to

obtain the benefits of large increases in value of stocks in non-traditional businesses") .

Smisek fails to explicitly disclose a method, wherein: said providing an employee

benefit further comprises providing a stock appreciation right.

Official Notice is taken that it is old and well-known for employers to provide

employees with options regarding employee benefits associated with stock

performance. For example, employee stock ownership plans, stock options and stock

appreciation rights are all common benefits offered.

It would have been obvious to one of ordinary skill in the art at the time of the

invention to modify the teachings of Smisek to provide a method, wherein: said

providing an employee benefit further comprises providing a stock appreciation right.

One would have been motivated to attract and retain employees as suggested by

Smisek. Furthermore, one would have been motivated to have different employee

benefit options to accommodate to circumstances of employees such as cash liquidity.

Re Claims 8, 9 ,10, 19,20,21, 30, 31 and 32:   Smisek discloses a

method/system/computer-usable medium wherein: said supported price can be

established in different ways depending upon the policies of the management

committee (Smisek, abstract, [0013] "the holder of a retention award would be entitled

to receive payment of an amount, not exceeding the maximum value of the retention

award" [0045] "the Committee shall make appropriate and equitable adjustments to

affected PARs and equitable adjustments to affected PARs and Awards (including,

without limitation, adjustments to the determinations of the Base Value and Market

Value applicable to related Phantom Units").

Smisek fails to explicitly disclose a method/system/computer-usable medium

wherein: said supported price is: a peak price attained by a selected stock during said

interval; a maximum value produced by an averaging method; or a multiple of the price

of selected stock at the end of said interval.

Official Notice is taken that it is old and well-known business to use different

methods for calculating a fair price. For example, if prices are volatile, an average may

be considered more representative of the expected return than sporadic highs or lows.

It would have been obvious to one of ordinary skill in the art at the time of the

invention to modify the teachings of Smisek to provide a method/system/computer-

usable medium wherein: said supported price is: a peak price attained by a selected

stock during said interval; a maximum value produced by an averaging method; or a

multiple of the price of selected stock at the end of said interval.

One would have been motivated to have employment benefit policies that are

adaptable to the companies' need and the realities of the underlying stocks.

Re Claims 12 and 23: Smisek discloses a system/computer-usable medium wherein

said inputs include one or more inputs selected from the group consisting of:

a beginning time (Smisek, abstract, [0010] i.e., Inherently, a time period has a beginning

time and ending time),

an ending time (Smisek, abstract, [0010] i.e., Inherently, a time period has a beginning

time and ending time) and

a number of shares (Smisek, abstract [0017][0o59] "Phantom Units" are used which can

be a fraction of a share, a share, or a number of shares depending upon the discretion

of the Committee).

Smisek fails to explicitly disclose a system/computer-usable medium wherein

said inputs include one or more inputs selected from the group consisting of: an option

price.

Official Notice is taken that it is old and well-known for employers to provide

employees with options regarding employee benefits associated with stock

performance. For example, employee stock ownership plans, stock options and stock

appreciation rights are all common benefits offered.

It would have been obvious to one of ordinary skill in the art at the time of the

invention to modify the teachings of Smisek to provide a system/computer-usable

medium wherein said inputs include one or more inputs selected from the group

consisting of: a beginning time, an ending time, a number of shares, and an option

price.

One would have been motivated to attract and retain employees as suggested by

Smisek. Furthermore, one would have been motivated to have different employee

benefit options to accommodate to circumstances of employees such as cash liquidity.

Re Claim 13,14, 24 and 25: Smisek discloses a system/computer-usable medium

wherein said means for calculating

further comprises means for calculating: a value for a employee benefit linked to the

performance of a selected stock (Smisek, abstract, [0009] "a benefit plan which qualifies

under federal law for certain tax benefits, including within the plan the ability to obtain

the benefits of large increases in value of stocks in non-traditional businesses"

[0010][0017[0027][0046[0056] "'PAR' means the right to receive the difference, if any

between the Market Value of a Phantum Unit and the Base Value of such Phantum

Unit" [0059]).

Smisek fails to explicitly disclose a system/computer=usable medium wherein

said means for calculating further comprises means for calculating: a value for a stock

option; and further comprises means for calculating a value for a stock appreciation right.

Official Notice is taken that it is old and well-known for employers to provide employees with options regarding employee benefits associated with stock performance. For example, employee stock ownership plans, stock options and stock appreciation rights are all common benefits offered.

It would have been obvious to one of ordinary skill in the art at the time of the invention to modify teachings of Smisek to provide a system/computer-usable medium wherein said means for calculating further comprises means for calculating: a value for a stock option; and

further comprises means for calculating a value for a stock appreciation right.

One would have been motivated to attract and retain employees as suggested by Smisek. Furthermore, one would have been motivated to have different employee benefit options to accommodate to circumstances of employees such as cash liquidity.

Re Claims 15, 16,17, 26,27 and 28: Smisek discloses a system/computer-usable medium, further comprising means for providing at least one output, including said value (Smisek, abstract, [0010][0017[0027][0046[0056] "'PAR' means the right to receive the difference, if any between the Market Value of a Phantum Unit and the Base Value of such Phantum Unit" [0059]).

Smisek fails to explicitly disclose a system/computer-usable medium, further comprising means for: creating a document containing a description of said employee

benefit, based on said output; printing a check, based on said output; and causing a transfer of funds, based on said output.

Official Notice is taken that it is old and well-known for business to use the outputs of employee benefits computations for various purposes. For example, many employers mail their employees periodic reports concerning the status of benefits such as investments, retirement, life insurance etc. For example, many companies use outputs regarding employee benefits to plan personnel objectives; budgets; and compliance with laws and policies.

It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the teachings of Smisek to provide a system/computer-useable medium further comprising means for: creating a document containing a description of said employee benefit, based on said output; printing a check, based on said output; and causing a transfer of funds, based on said output.

One would have been motivated to notify interested parties about employee benefits and facilitate the processing of payment obligation associated with the employee benefit plan.
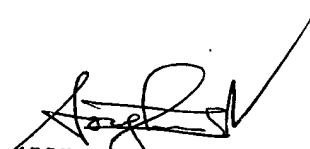
Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Sara Chandler whose telephone number is 571-272-1186. The examiner can normally be reached on 8-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, Hyung Sough can be reached on 571-272-6799. The fax phone number for

the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the

Patent Application Information Retrieval (PAIR) system. Status information for

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Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a

USPTO Customer Service Representative or access to the automated information

system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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